

LEASE OF HISTORIC VERBAUWHEDE'S BUILDING

Historic Lease No. 9825-17-01

KLONDIKE GOLD RUSH NATIONAL HISTORICAL PARK

SKAGWAY, ALASKA



**Office of the Superintendent
Klondike Gold Rush National Historical Park
National Park Service
Second & Broadway
P. O. Box 517
Skagway, Alaska 99840**

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THIS LEASE ("Lease") is made and entered into by and between the United States Department of the Interior, acting through the National Park Service, an agency of the United States of America (Lessor), and _____, (Lessee).

Section 1. DEFINITIONS

As used in this Lease, the following defined terms are applicable to both singular and plural forms.

1.1. Alterations - means any construction, physical modifications, rehabilitation, reconstruction, and/or restoration of the Premises.

1.2. Applicable Laws - means all present and future laws, statutes, requirements, ordinances, judgments, regulations, and administrative and judicial determinations that are applicable by their own terms to the Premises or the Lessee, even if unforeseen or extraordinary, of every governmental or quasigovernmental authority, court or agency claiming jurisdiction over the Premises now or hereafter enacted or in effect (including, but not limited to, 36 CFR Part 18, environmental laws and those relating to accessibility to, usability by, and discrimination against disabled individuals), the Park Area's General Management Plan and all covenants, restrictions, and conditions now or hereafter of record which may be applicable to the Lessee or to all or any portion of the Premises, or to the use, occupancy, possession, operation, and maintenance of the Premises even if compliance therewith results in interference with the use or enjoyment of all or any portion of the Premises.

1.3. Annual Rent - means the annual fixed rent to be paid to Lessor by Lessee under Section 5.

1.4. Assignment - means the transfer, whether it is direct or indirect, voluntary or by operation of law, assignment, sale, or conveyance, of the Lessee's leasehold estate, or the Lessee's rights under this Lease in whole or part. Such transfer may be designated as a sale, a conveyance, or an assignment. The sale, conveyance, or assignment (including by consolidation, merger or reorganization) of a controlling interest in the Lessee (if such entity is a corporation), or any sale or other transfer of a controlling interest in the partnership interests (if such entity is a partnership), whether in a single transfer or in a series of related transfers, and whether directly or by sales or transfers of underlying partnership or corporate ownership interests, is an assignment. For a corporate entity, the term controlling interest means an interest, beneficial or otherwise, of sufficient outstanding voting securities or capital of the Lessee so as to permit exercise of managerial authority over the actions and operations of the Lessee. For a partnership, limited

partnership, joint venture, limited liability company, or individual entrepreneur, controlling interest means the beneficial ownership of the capital assets of the Lessee so as to permit exercise of managerial authority over the actions and operations of the Lessee.

1.5. Commencement Date - means the first day of the Lease term as stated in Section 4 of this Lease.

1.6. Encumbrance - means the direct or indirect, voluntary or by operation of law, encumbrance, pledge, mortgage, or other hypothecation of the Lessee's interest or rights under this Lease and/or the Premises or Lessee's leasehold estate.

1.7. Expiration Date - means the last day of the Lease Term as stated in Section 4 of this Lease.

1.8. FF&E - means all lessor furniture, fixtures and equipment in or on the Premises.

1.9. Hazardous Materials - means any material or other substance: (a) that requires investigation or correction under Applicable Laws; (b) that is or becomes defined as a hazardous waste, hazardous substance, pollutant, or contaminant, under Applicable Laws; (c) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous, and is or becomes regulated under Applicable Laws; (d) that, without limitation of the foregoing, contains gasoline, diesel fuel or other petroleum hydrocarbons; (e) that, without limitation of the foregoing, contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or (f) that, without limitation of the foregoing, contains radon gas. The term Hazardous Materials as used in this Lease includes Pre-Existing Hazardous Materials unless otherwise stated in a particular provision of this Lease.

1.10. Hazardous Materials Occurrence - means any use, treatment, keeping, storage, sale, release, disposal, migration, transport, or discharge of any hazardous materials from, on, under, or into the Premises or other Park Area property that occurs during the Lease Term.

1.11. Historic Property - means building(s) and land located within the boundaries of the Park Area that are part of a pre-historic or historic district or site included on, or eligible for inclusion on, the National Register of Historic Places.

1.12. Interest Rate - means the percentage of interest charged based on the current value of funds to the United States Treasury that is published annually in the Federal Register or successor publication.

1.13. Inventory and Condition Report - means the document contained in Exhibit A to this Lease that describes the FF&E in the Premises and the condition of the Premises (including FF&E) as of the Commencement Date.

1.14. Lease Term - is the term of this Lease as stated in Section 4 of this Lease.

1.15. Lease Year - means a year of the Lease Term. The first Lease Year shall commence on the Commencement Date and shall end on the expiration of the twelfth full calendar month following thereafter. Each subsequent Lease Year shall commence on the next day following the expiration of the preceding Lease Year, and shall end on the expiration of the twelfth full calendar month following thereafter, or on the last day of the Lease Term, whichever occurs first.

1.16. Notice of Default - means an instrument in writing from the Lessor to the Lessee providing notice of that the Lessee is in default of the lease.

1.17. NPS 28 - means the National Park Service document entitled “NPS-28: A Cultural Resource Management Guideline” that is hereby made a part of this Lease by reference.

1.18. Park Area - means Klondike Gold Rush National Historical Park.

1.19. Part 18 - means 36 CFR 18 (Code of Federal Regulations).

1.20. Personal Property - means all furniture, fixtures, equipment, appliances, and apparatus owned by the Lessee and placed in or on the Premises that are neither permanently attached to or form a part of the Premises.

1.21. Pre-existing Hazardous Materials - means hazardous materials (including storage tanks) that existed in, on, or under the Premises or other Park Area property prior to the Commencement Date.

1.22. Premises - means the property of the Park Area that is described in Section 2 of this Lease.

1.23. Rent - means the rent to be paid Lessor by Lessee described in Section 5 of this Lease and any additional Rent this Lease may require.

1.24. Secretary’s Treatment Standards - shall mean the Secretary of the Interior’s Treatment Standards for Historic Property (36 Code of Federal Regulations Part 68) that are hereby made a part of this Lease by reference.

1.25. Sublease - means an agreement under which the Lessee grants a person or entity (a Sublessee) the right to use, occupy, or possess a portion of the Premises.

1.26. Termination Date - means the date this Lease may be terminated or cancelled in accordance with its terms prior to the Expiration Date.

Section 2. LEASE OF PREMISES

2.1. Lease of Premises; Reservation of Rights

(a) The Lessor hereby leases and demises to the Lessee under the authority of 36 CFR Part 18, and the Lessee hereby leases, upon and subject to the covenants and agreements contained in this Lease, from the Lessor, the Premises described as follows:

Location:

The property available for lease is the historic Verbauwhe’s Building, located on the southwestern portion of Lot 6, Block 35, Skagway, according to Plat No.1, Skagway Recording District, First Judicial District, State of Alaska, whose street address is 252 Broadway, Skagway, Alaska. (Adjacent to the alley).

Description:

The Verbauwhe’s Building street address is 252 Broadway, Skagway, Alaska. The premises are located within Klondike Gold Rush National Historical Park and the Skagway Historic District. The Verbauwhe’s Building is a two-story, wood frame historic commercial structure which has approximately 13 feet of store front and approximately 728 sq. ft. of space (approximately 364 sq. ft. on the first floor and approximately 364 sq. ft. on the second floor.) The space offered for lease

does not include mechanical/electrical room (72 sq. ft. on first floor) nor the sprinkler valve/fire alarm panel room, both of which are retained by the National Park Service for agency use. Lease space will be delivered in completely finished condition, with the Lessee to provide all furnishings, equipment and signs.

(b) Subject to all Applicable Laws, and all liens, encumbrances, restrictions, rights and conditions of law or of record or otherwise; and

(c) Excepting and reserving to the Lessor the right, at reasonable times and (except in case of emergency) following advance notice to the Lessee, to enter and to permit any governmental agency, public or private utilities and other persons to enter upon the Premises as may be necessary for the purposes of the administration of this Lease and/or the Park Area as determined by the Lessor and to close the Premises when immediate danger to life or property is discovered;

(d) Excepting and reserving exclusive rights to all oil, gas, hydrocarbons, and other minerals in, under, or on the Premises and ownership of any current or future water rights applicable to the Premises.

2.2. Waiver

The Lessee hereby waives any claims for damages for any injury or inconvenience to or interference with the Lessee's use and occupancy of the Premises, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by the Lessor's exercise of its rights under this Lease or by the Lessor's actions taken for the management and protection of the Park Area's resources and visitors.

2.3. Easements

Nothing contained in this Lease shall give or be deemed to give the Lessee a right to grant any type of easement or right-of-way affecting the Premises. Lessor agrees to execute, if otherwise appropriate as determined by the Lessor, such easements for utilities as Lessee shall require in connection with the use and operation of the Premises.

2.4. Ownership of the Premises

This Lease does not vest in the Lessee any fee interest in the Premises. Title to the Premises at all times is with and shall remain solely with the Lessor.

2.5. Historic Property

The Premises are Historic Property.

Section 3. Acceptance of the Premises

3.1. As Is Condition of the Premises

The Lessee agrees to lease the Premises in their existing "as is" condition and acknowledges that in entering into this Lease, the Lessee does not rely on, and the Lessor does not make, any express or implied representations or warranties as to any matters including, without limitation, any characteristics of the Premises or improvements thereon, the suitability of the Premises for the intended use, the likelihood of deriving trade from or other characteristics of the Park Area, the economic or programmatic feasibility of the Lessee's use and occupancy of the Premises, or hazardous materials on or in the vicinity of the Premises.

3.2. Lessee's Due Diligence

Prior to entering into this Lease, the Lessee in the exercise of due diligence has made a thorough, independent examination of the Premises and all matters relevant to the Lessee's decision to enter into

this Lease, and the Lessee is thoroughly familiar with all aspects of the Premises and is satisfied that they are in an acceptable condition and meet the Lessee's needs.

3.3. Inventory and Condition Report

In the exercise of its due diligence, Lessee has taken into account the Inventory and Condition Report (Exhibit A) and acknowledges that it is complete and accurate.

Section 4. LEASE TERM AND ABANDONMENT

4.1. Lease Term

The lease term shall be a period of [INSERT NO.] _____ years. The Lease Term shall commence on _____ [INSERT DATE] and expire on _____ [INSERT DATE] or ending on such earlier date as this Lease may be terminated in accordance with its terms.

4.2. Abandonment

The Lessee shall occupy the Premises during the entire Lease Term. If it fails to do so, the Lessee may be determined as in Default for abandoning the Premises.

Section 5. RENT

5.1. Net Lease and Rent Payments

(a) All Rent shall be absolutely net to Lessor without any abatement, deduction, counterclaim, set-off or offset. Lessee shall pay all costs, expenses and charges of every kind and nature relating to the Premises, including, without limitation, all taxes and assessments.

(b) All Rent payments consisting of \$10,000 or more shall be deposited electronically by the Lessee using the Treasury Financial Communications System via the "Pay.Gov" (<https://www.pay.gov>) system. At Lessor's option, Rent payments of less than \$10,000 shall be payable by wire transfer or other electronic means to such account as Lessor may from time to time designate. Interest at the Interest Rate will be assessed on overdue Rent payments. The Lessor may also impose penalties for late Rent payments to the extent authorized by Applicable Law.

5.2. Annual Rent

During the lease term, Lessee shall pay to Lessor annual rent for the premises in advance in equal monthly installments due by the first of each month.

The annual rent for the first year of the lease is \$ _____ [INSERT ANNUAL RENT]. This rent will be adjusted annually in accordance with Section 5.3 below.

5.3. CPI Adjustment

The Annual Rent will adjusted effective as of the beginning of the second Lease Year and annually thereafter during the Lease Term to reflect the proportionate cumulative change in the CPI, if any, during the previous Lease Year. For purposes of this section, CPI means the United States Department of Labor, Bureau of Labor Statistics, All Cities Average Consumer Price Index, or if such index is no longer published, a successor or substitute index designated by the Lessor, that shows changes in consumer prices in the locale of the Park Area.

5.4 Reserved. (Rent reconsideration for leases that are over 10 years.)

Section 6. USE OF PREMISES

6.1. Authorized Uses

The Lessee may utilize the Premises only for the following uses: _____
[INSERT AUTHORIZED USES]

6.2. Changes to Authorized Uses

The Lessee may amend or change approved uses subject to the prior written approval of the Lessor. No change of the uses of the Premises shall be approved unless the Lessor, among other matters, determines the proposed use to be consistent with Part 18, the Park Area's General Management Plan, all other Applicable Laws, and that the proposed change will not have an adverse impact on the Lessor's ability to manage and protect the Park Area's resources and visitors.

6.3. Applicable Laws

The Lessee shall comply with all Applicable Laws in its use and occupancy of the Premises. The Lessee shall provide copies of all licenses and use and occupancy permits to the Superintendent, prior to opening the premises for business. If the business is seasonal in nature, copies of such licenses and permits shall be provided to the Superintendent prior to the re-opening each season.

6.4 Lessor Use

The United States, its officers, agents and employees retain the use of all non-leased portions of the building, lands, and improvements and may use the exterior of structures and the grounds of the premises for public interpretation, or any other uses which the Superintendent determines may be in the best interest of the National Park Service.

6.5 Forbidden Uses

(a) In no event shall the Premises be used for any purpose that is not permissible under Part 18 or, even if so permissible, may be dangerous to life, limb, property or public health; that in any manner causes or results in a nuisance; that is of a nature that it involves substantial hazard, such as the manufacture or use of explosives, chemicals or products that may explode, or that otherwise harms the health or welfare of Park Area resources and/or visitors; or that results in any discharge of Hazardous Materials in, on or under the Premises.

(b) Lessee has inspected the premises, and agrees to accept use of the first floor space without substantive modification except for exterior signs and interior furnishings as follows: Any additional lighting must conform to the provisions of this section. Lessee is authorized to utilize, at its expense, interior furnishings, wall and window displays and merchandise display cases in conformance with the provisions of this section.

Lessee will utilize the first floor of the interior of the premises without addition of racks, brackets, lights, tracks, paneling, or other fixtures which require nailing, staining, cutting or drilling into floors, walls, trim, paneling, wainscoting, or ceilings or otherwise affixing fixtures to the floors, walls, trim, or paneling. First floor furnishings must, unless specifically approved in writing by the Superintendent, be self-supporting and appropriate for the period 1894 to 1910 in appearance, materials, construction, and function. Modern equipment, such as computer or cash register terminals or keyboards will be positioned and/or physically shielded from view by passersby outside the premises. Task or display lighting, incorporated into or affixed to freestanding display racks, shelves, or cabinets may be authorized if subordinate to the other furnishings or wares. Lessee will utilize the second floor of the interior of the premises without addition of racks, brackets, lights, tracks, paneling, or other fixtures which require nailing, staining, cutting or drilling into floors, walls, trim, paneling, wainscoting, or ceilings or otherwise affixing fixtures to the floors, walls, trim, or paneling.

(c) The building was designed for the following loads:

First Floor: **75** pounds per square foot;

Second floor: **50** pounds per square foot, uniformly distributed (retail or similar use);

Wind: Basic wind speed, 100 mph, exposure B;

Seismic: Zone 3;

Soil Bearing Pressure: 1,500 pounds per square foot.

The building shall not be used for any activity generating loads greater than those indicated. TL-30x6 rated safes or vaults generally exceed this floor loading limit and therefore will in most instances not be allowed. The building will not be used for any activity generating loads greater than the previously stated floor load limits, uniformly distributed.

(d) No furnishings, nor goods, may extend closer than 18” to room ceilings.

(e) The following items will not be stored, sold, or displayed:

- (1) Tobacco products or alcoholic beverages.
- (2) Illegally obtained materials (e.g. materials from protected areas, sources or species) and merchandise made from illegally obtained materials
- (3) Merchandise that is improperly labeled as to its source, manufacture, or nature.
- (4) Pre-historic or historic archeological artifacts or vertebrate paleontological specimens except that newly carved “fossil” ivory (ancient ivory carved by contemporary individuals) may be displayed and sold provided that they are accompanied by written certification that the ivory was legally collected, transported, and crafted.

(f) Storage of bulk foodstuffs, food preparation, food and/or beverage service, overnight accommodations, arcades, and entertainment inappropriate for a family audience are prohibited, except that sale of packaged food items and/or sealed, non-alcoholic beverages for consumption off-premises may be allowed.

(g) No storage or use of any type is allowed in the mechanical sprinkler/fire panel rooms, or exterior boardwalks and grounds except as provided herein.

(h) Signs, furnishings, shelving, and incorporated lighting are the responsibility of the Lessee. Specifications for furnishings proposed for use on the first floor space shall be submitted to the Lessor in advance of their use for review and approval. Approval by the Lessor will be based upon the compatibility with the historic exterior appearance of the building and Historic District. First floor furnishings shall generally be fabricated or appear to be fabricated primarily of wood or glass with metal trim, fittings, or other hardware. Metal racks or stands will be approved only if general appearance is appropriate for the historic period of significance (e.g. design appropriate to 1894 to 1910, and appearing to be fabricated from brass, iron, pewter or copper). First floor cases, cabinets and shelves may incorporate merchandise display lighting, however, modern lighting techniques, such as large, full-color, backlit transparencies, LED window signs, or digital “tickers” will not be approved for use in any portions of the premises that are within view of the public. Area rugs or runners are permissible; wall-to-wall carpeting may not be installed or used.

(i) Lessee may not display merchandise, freestanding signs, mannequins, or similar “advertising” props exterior to the structure.

(j) Lessee will not solicit business by crying out to passersby from within the premises through doors or windows.

6.6. Site Disturbance

Lessee shall neither cut any timber nor remove any other landscape features of the Premises such as shrubs or bushes without Lessor's prior written consent. The Lessee shall conduct no mining or drilling operations, remove no sand, gravel or similar substances from the ground, and commit no waste of any kind.

6.7. Protection of Cultural and Archeological Resources

The Lessee shall ensure that any protected sites and archeological resources within the Park Area are not disturbed or damaged by the Lessee except in accordance with Applicable Laws and only with the prior written approval of the Lessor. Discoveries of any archeological resources by the Lessee shall be promptly reported to the Lessor. The Lessee shall cease work or other disturbance, which may impact any protected site or archeological resource until the Lessor may grant approval to continue upon such terms and conditions as the Lessor deems necessary to protect the site or resource.

6.8. Signs

(a) The Lessee may not post signs on the Premises of any nature without the Lessor's prior written approval. Any approval of a sign that may be given by the Lessor shall specify the type, size, and other appropriate conditions concerning its display. The Lessor may post signs on the Premises as appropriate for the administration of the Park Area.

(b) Exterior building signs, window signs, and any temporary signs must conform to the Park Area's Historic Leaseback Building Sign Guideline and shall not be erected or displayed until approved by the Superintendent and the Skagway Historic District Commission. Temporary signs that are within the premises but are posted near windows and doorways such that they are readily visible from passersby outside the premises, may be permitted if consistent with local ordinances, excluding political campaign posters, but in no case shall temporary signs exceed 11" X 17" (or equivalent area) dimensions. The total area occupied by Temporary window signs in aggregate may not exceed the maximum prescribed by Skagway Historic District Ordinance. The National Park Service will install exterior signs.

6.9. Permits and Approvals

Except as otherwise may be provided in this Lease, the Lessee shall be solely responsible for obtaining, at its expense, any permit or other governmental action necessary to permit its activities under this Lease.

6.10. Alterations

The Lessee shall not make Alterations of any nature to the Premises without the written permission of the Lessor. Any such permission that may be given will be subject to an amendment of this Lease to incorporate appropriate terms and conditions regarding the nature of the alterations and construction requirements, including, without limitation, construction insurance requirements.

6.11. Parking

There are no designated off street parking spaces with this lease.

6.12. Merchandise Documentation

Lessee must maintain and make available for inspection by the Lessor documentation evidencing the actual origin and nature of all merchandise items made in whole or in part from wild plant or animal parts.

6.13. Trash Dumpster

A shared trash dumpster is provided on the premises to the rear of the building. Reference section 9.

Section 7. RECORDS AND AUDITS

The Lessee shall provide the Lessor and its agents and affiliates, including without limitation, the Comptroller General of the United States, access to all books and records relating to the Premises and the Lessee's use of the Premises under this Lease for the purpose of conducting audits to verify the Lessee's compliance with the terms and conditions of this Lease for any of the five (5) preceding Lease Years. The Lessee shall keep and make available to the Lessor these books and records at a location in the Premises or within the locale of the Park Area. The Lessee shall, if requested by the Lessor, provide the Lessor with complete information and data concerning the Lessee's operations and operating results, including without limitation, information and data regarding the origin, including source vendor statements, and descriptions of any products offered for sale.

Section 8. MAINTENANCE AND REPAIR

8.1. Lessor's Responsibilities

- (a) The Lessor will maintain the building's exterior and grounds, except as provided in 8.2 below.
- (b) The Lessor will maintain fire warning and fire suppression systems.
- (c) The Lessor will maintain the heating system and associated mechanical/electrical equipment.

8.2 Lessee's Responsibilities

- (a) The Lessee shall maintain and keep in good order and repair in a timely manner, all interior portions of the leased premises, including but not limited to ceilings, walls, floors, windows, lighting, electrical and plumbing systems within the leased premises. Any repair and maintenance actions that may result in Alterations to the Premises require the prior written approval of the Lessor.
- (b) Lessee is responsible for daily cleaning and routine housekeeping, including windows, to be accomplished in a timely manner. Scrubbing methods and application of waxes or other treatments shall be as prescribed by the Lessor.
- (c) Drilling holes in or use of mechanical fasteners on the floors, walls, ceilings, trim, doors, door frames, window sills, sash, and casings is prohibited.
- (d) Lessee is responsible for protecting plumbing from freezing and the structure from damaging cold and will therefore maintain the interior of the premises at a minimum of 50° F. year around. Should the lessee fail to maintain the minimum temperature and damage results, the provisions of 12.1 will control.
- (e) Lessee will immediately notify Lessor of any malfunction of the heating, ventilating, fire warning, or fire suppression systems. During any periods of reduced or suspended operations, the Lessee will monitor interior conditions and facilitate any necessary entry into leased space (e.g. alarm calls, utility problems, etc.) Lessee will provide exterior door keys for the National Park Service and the Skagway Fire Department to make emergency interior access in the event of a fire alarm or other emergency or potential emergency occurring outside of normal business hours.
- (f) The Lessee shall keep the boardwalk free from snow, ice and/or other debris, to the extent necessary for Lessee's occupancy.

(g) All maintenance of historic structures will be carried out in accordance with the National Park Service "Historic Structures Preservation Guide," and "The Secretary of the Interior's Standards for the Treatment of Historic Properties."

8.3. Maintenance Plan

If requested by the Lessor, the Lessee shall submit to the Lessor for its approval a Lessee Maintenance Plan satisfactory to Lessor. The plan, when approved by Lessor, shall become an Exhibit to this Lease without further action and the Lessee shall comply with its terms. The Lessor may make reasonable modifications to the plan from time to time to reflect changing maintenance and repair needs of the Premises.

Section 9. UTILITIES

- (a) The Lessee is responsible for water, sewage, electricity (including heating costs), telephone and internet service to the premises. The Lessor assumes no responsibility to provide the Lessee with these services.
- (b) The Lessee is to provide water and electricity, at Lessee's expense, for routine exterior maintenance to be performed by the Lessor to the building. Lessee also agrees to maintain at its expense commercial telephone service year-round as required for off-site fire warning systems (i.e. Silent Knight).
- (c) The Lessor will provide regular trash removal from a Lessor-provide dumpster to be located near the premises parking. Use of this dumpster is shared by the Lessor and with other of Lessor's tenants of nearby buildings. Lessee will be billed quarterly for these services.

Section 10. FIRE SAFETY AND HAZARDOUS MATERIALS

The Lessee shall comply with the following provisions concerning Fire Safety & Hazardous Materials:

- (a) No flammable or Hazardous Materials shall be used, treated, kept, stored, sold, released, discharged or disposed of from, on, about, under, or into the Premises except in compliance with all Applicable Laws and as approved by the Lessor in writing;
- (b) The Lessee is responsible for timely acquisition of any permits required for its Hazardous Materials and related activities and will be fully responsible for compliance with the provisions and conditions of such permits;
- (c) If any Hazardous Materials Occurrence directly or indirectly caused by Lessee results in any contamination of the Premises, other Park Area property or neighboring property, the Lessee shall promptly take all actions at its sole expense as are required to comply with Applicable Laws. Following any Hazardous Materials Occurrence, the Premises shall be returned to a condition that is free of any use restriction imposed under Applicable Laws. Except in cases of emergency, the Lessor's written approval of such actions shall first be obtained;
- (d) Lessee at its expense shall be responsible for the abatement of Hazardous Materials in accordance with Applicable Laws in, on, or under the Premises as of the Commencement Date and thereafter; and
- (e) If the Lessee discovers any unapproved Hazardous Materials in or on the Premises or becomes aware of a Hazardous Materials Occurrence related to the Premises, the Lessee shall immediately notify the Lessor.

(f) General fire prevention training is required for all newly assigned staff as part of new employee orientation. This training must include locations of fire alarm pull boxes, location and use of portable fire extinguishers, emergency plans, and fire prevention plans.

(g) Housekeeping practices:

Good housekeeping practices are vital in eliminating potential fire hazards within buildings and on the surrounding premises. Practices may include, but not be limited to, the following.

- Trash is not allowed to accumulate in any structure;
- Oily rags, grease, and paints shall not be placed in containers with other combustibles;
- Oily rags or wiping cloths shall be kept in approved metal waste containers with self-closing lids;
- All flammable liquid shall be properly stored in approved containers or cabinets;
- Storage areas shall be kept neat. Storage in boiler rooms, furnace rooms, electrical equipment rooms, and air conditioning and mechanical equipment rooms is strictly prohibited;
- Stored materials in any building will be stacked no closer than 18 inches from the ceiling;
- Electrical extension cords shall be used only in continuous lengths without tapped or spliced sections; Such cords shall not be tacked, stapled, or fastened to woodwork or walls, nor will they be run under carpets or rugs nor draped over other supports; All cords shall be approved by a recognized testing laboratory such as Underwriters Laboratories (U.L.), shall be constructed of #14 gauge or larger wire, and be grounded. Extension cords shall, at a minimum, be rated to carry 15 amperes (up to 1560 watts); High wattage, portable electrical appliances (e.g. coffee pots, coffee makers, electric heaters, etc.) shall not be used with extension cords of any size.
- Surge protected strip cords may be used for office equipment, desk lamps, or other low wattage electrical appliances as required, provided the strip cord or circuit from the strip cord is not overloaded by the use of multiplier plugs.

(h) Smoking is prohibited in the leased premises.

(i) Use of open flame devices, such as candles, oil lamps, torches, propane gas fired devices, etc. requires prior permission of the Superintendent.

Section 11. INSURANCE AND INDEMNIFICATION

11.1. Insurance During the Lease Term

At all times during the Lease Term and at the Lessee's sole expense, it shall obtain and keep in force for the benefit of the Lessee and Lessor the insurance coverages set forth in Exhibit B to this Lease under the terms and conditions of Exhibit B.

11.2. Insurance Requirements Modification

If the Lessor at any time, but not more than annually, believes that the limits or extent of coverage, conditions, deductibles or self insurance retention, with respect to any of the insurance required by this Lease are insufficient for a prudent owner of property of the nature of the Premises, the Lessor may determine the proper and reasonable limits and extent of coverage, conditions, deductibles and self insurance retention limits for such insurance and such insurance shall thereafter be carried by the Lessee until changed pursuant to the provisions of this section.

11.3. Disposition of Insurance Proceeds

All insurance proceeds received by or payable with respect to damage or destruction of the Premises (except proceeds of insurance covering loss or damage of the Lessee's Personal Property), less actual expenses incurred in connection with their collection, shall be held by the Lessee in an interest bearing account, with all interest accrued thereon deemed proceeds of insurance for purposes of this Lease. However, if required by the Lessor, an insurance trustee acceptable to the Lessor shall hold such proceeds for application in accordance with this Lease.

11.4. Inadequate Insurance Coverage

The Lessee's responsibilities under this Lease for the repair or replacement of the Premises assume full risk and responsibility for any inadequacy of insurance coverage or any failure of insurers. No approval by the Lessor of any insurer, or the terms or conditions of any policy, or any coverage or amount of insurance, or any deductible amount shall be construed as a representation by the Lessor of the solvency of the insurer or the sufficiency of any policy or any coverage or amount of insurance or deductible.

11.5. Indemnity

The Lessee shall indemnify, defend, save and hold the United States of America, its employees, successors, agents and assigns, harmless from and against, and reimburse the United States of America for any and all claims, demands, damages, injuries, losses, penalties, fines, costs, liabilities, causes of action, judgments, and expenses, including without limitation expenses incurred in connection with or arising in any way out of this Lease, the use, occupancy or manner of use or occupancy of the Premises by the Lessee or any other person or entity, the design, construction, maintenance, or condition of any improvements on the Premises, the condition of the Premises, and/or any accident or occurrence on the Premises from any cause whatsoever; provided, however, that the Lessee shall not be liable to the extent that the damages, expenses, claims or suits result from the willful misconduct or negligence of the United States of America, or its employees, contractors, or agents; provided, further, that the United States of America shall be liable only to the extent such claims are covered by the Federal Tort Claims Act (28 USC 2671 et seq.).

The provisions of this section shall survive the Expiration Date or Termination Date of this Lease.

Section 12. DAMAGE OR DESTRUCTION

12.1. Damage or Destruction; Duty to Restore

If the Premises or any portion thereof are damaged or destroyed at any time during the Lease Term, one of the following will occur as directed by the Lessor:

- (a) the Lessor shall repair or replace the damaged or destroyed Premises to the condition that existed prior to the damage or destruction and the Lessee shall pay to the Lessor as additional rent the costs incurred.
- (b) the Lessee, as promptly as reasonably practicable and with all due diligence, subject to the written prior approval of the Lessor, shall repair or replace the damaged or destroyed Premises to the condition that existed prior to the damage or destruction; or
- (c) the Lessor may terminate this Lease without liability and the Lessee shall pay to the Lessor as additional rent the insurance proceeds resulting from the damaged or destroyed Premises.

12.2. No Termination; No Effect on Rental Obligation

No loss or damage by fire or other cause resulting in either partial or total destruction of the Premises, the

improvements thereon, any other property on the Premises shall operate to terminate this Lease except as provided in Section 12.1 of this Lease. No such loss or damage shall affect or relieve the Lessee from the Lessee's obligation to pay the Rent required by this Lease and in no event shall the Lessee be entitled to any prorated return or refund of Rent paid hereunder. Unless this Lease is terminated under Section 12.1, no such loss or damage shall relieve or discharge the Lessee from the payment of taxes, assessments, or other charges as they become due and payable, or from performance of other terms and conditions of this Lease.

13. LIENS

13.1. No Power in Lessee to Create

The Lessee shall have no power to take any action that may create or be the foundation for any lien, mortgage or other encumbrance upon the reversion, fee interest or other estate of the Lessor or of any interest of the Lessor in the Premises, except as otherwise may be expressly approved by the Lessor in writing in accordance with the terms of this Lease.

13.2. Discharge of Liens by Lessee

The Lessee shall not suffer or permit any liens known to the Lessee to stand against the Premises for any reason. If a lien is filed against the Premises, the Lessee shall cause it to be discharged of record within sixty calendar (60) days after notice to the Lessee of filing the lien. If the Lessee fails to discharge or contest the lien within this period and the failure shall continue for a period of fifteen calendar (15) days after notice by the Lessor, then, in addition to any other right or remedy of the Lessor, the Lessor may, but shall not be required, to procure the discharge of the lien either by paying the amount claimed to be due, by deposit in court, or by bonding. All amounts paid or deposited by the Lessor for any of these purposes, and all other expenses of the Lessor and all necessary disbursements in connection with them, shall become due and payable forthwith by the Lessee to the Lessor upon written demand therefore as additional Rent.

13.3. No Consent or Waiver by Lessor

Nothing in this Lease shall be deemed to be or be construed in any way as constituting the consent or request of the Lessor, expressed or implied, by inference or otherwise, to any person, firm or corporation, for performance of any labor or the furnishing of any materials in connection with the Premises.

Section 14. ASSIGNMENTS AND ENCUMBRANCES

14.1. Assignments

The Lessee shall not effectuate an Assignment of this Lease, in whole or in part, or any real property on the Premises, nor Sublease the Premises to a Sublessee or any part thereof or any property thereon, nor grant any interest, privilege or license whatsoever in connection with this Lease, without the express prior written permission of the Lessor. Approval of any Assignment is in the discretion of the Lessor and in no event shall the Lessor grant an approval unless it is able to determine that the proposed assignee or Sublessee is financially and managerially capable of carrying out the terms of this Lease.

With respect to proposed assignments and without otherwise limiting the criteria upon which the Lessor may withhold its consent to any proposed Assignment, the Lessee shall furnish to the Lessor the following information:

- [1] all instruments proposed to implement the transaction;
- [2] a statement as to the existence of any litigation questioning the validity of the proposed transaction;
- [3] a description of the management qualifications and financial background of the proposed transferee, if any;

- [4] a detailed description of the financial aspects of the proposed transaction including but not limited to prospective financial forecast statements that have been examined by an independent accounting firm and that demonstrate to the satisfaction of the Lessor that terms of the transfer do not impede or interfere with the financial ability of the Lessee to perform the requirements of this Lease;
- [5] if the transaction may result in an encumbrance on the Lessee's assets, full particulars of the terms and conditions of the encumbrance; and
- [6] such other information as the Lessor may reasonably require.

The Lessor shall have the right to approve the form of any assignment.

Any consideration for transfers of leasehold interests (as such costs are approved by the Lessor) received by the Lessee from an assignee for or in connection with an assignment of this Lease shall be payable to the Lessor.

The Lessor has an unconditional right to assign this Lease or any or all of its rights and obligations under it at any time.

14.2. Encumbrances

The Lessee may not effectuate an Encumbrance on the Premises without the prior written permission of the Lessor. Approval of any Encumbrance is in the discretion of the Lessor and in no event shall an Encumbrance be approved unless the Lessor is able to determine that it only grants its holder, in the event of a foreclosure, to assume the responsibilities of the Lessee under this Lease or to select a qualified new lessee subject to the written approval of the Lessor, and that it does not grant its holder any rights to alter or amend in any manner the terms and conditions of this Lease.

Section 15. DEFAULTS AND LESSOR'S REMEDIES

15.1. Termination for Default

The Lessor may terminate this Lease for default if the Lessee fails to keep and perform any of the terms and conditions of this Lease, provided that the Lessor shall first give the Lessee written notice of at least fifteen (15) calendar days in the case of monetary defaults and thirty calendar (30) days in the case of non-monetary defaults of the Lessor's intention to terminate if the default is not cured within the applicable time period. If the Lessor terminates this Lease, all of the rights of the Lessee under this Lease and in the Premises shall terminate.

15.2. Bankruptcy

The Lessor may terminate this Lease, in its discretion, in the event of a filing or execution of: (a) a petition in bankruptcy by or against the Lessee which is not dismissed within ninety calendar (90) days of its filing; (b) a petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor; (c) an assignment for the benefit of creditors; (d) a petition or other proceeding against the Lessee for the appointment of a trustee, receiver or liquidator; or (e) the taking by any person of the leasehold created by this Lease or any part thereof upon execution, attachment or other process of law.

15.3. No Waiver

No failure by the Lessor to insist upon the strict performance of any of the terms and conditions of this Lease or to exercise any right or remedy upon a default, and no acceptance by the Lessor of full or partial rent during the continuance of any default shall constitute a waiver of any default or of such terms and conditions. No terms and conditions of this Lease may be waived or modified except by a written instrument executed by the Lessor. No waiver of any default shall affect or alter this Lease, but each and

every term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent default.

15.4. Lessor's Right to Cure Defaults

If a default occurs under the terms of this Lease and the Lessee fails to correct the default within the applicable grace period, the Lessor may choose to correct the default (entering upon the Premises for such purposes if necessary), and the Lessor shall not be liable or in any way responsible for any loss, disturbance, inconvenience, or damage resulting to the Lessee as a result, and the Lessee shall pay to the Lessor upon demand the entire expense of the correction as additional Rent, including, without limitation, compensation to the agents, consultants and contractors of the Lessor and related expenses. The Lessor may act upon shorter notice or no notice at all if necessary in the Lessor's judgment to meet an emergency situation or governmental time limitation or to protect the Lessor's interest in the Premises.

Section 16. SURRENDER AND HOLDING OVER

16.1. Surrender of the Premises

(a) On or before the earlier of the Expiration Date or Termination Date of this Lease, the Lessee shall surrender and vacate the Premises, remove Lessee's Personal Property, and return the Premises, including the FF&E, to as good an order and condition as that existing upon the Commencement Date.

(b) For these purposes, the Lessor and Lessee shall prepare an inventory and condition report of the Premises to constitute the basis for settlement by the Lessee to the Lessor for Lessor's FF&E, or elements of the Premises shown to be lost, damaged or destroyed. Any such FF&E, or other elements of the Premises shall be either replaced or returned to the condition required under this Section by the Lessee, ordinary wear and tear excepted, or, at the election of the Lessor, reimbursement made therefore by the Lessee at the then current market value thereof.

16.2. Holding Over

This Lease shall end upon the Expiration Date or Termination Date and any holding over by the Lessee or the acceptance by the Lessor of any form of payment of rent or other charges after such date shall not constitute a renewal of this Lease or give the Lessee any rights under this Lease or in or to the Premises.

Section 17. EQUAL OPPORTUNITY LAWS

The Lessee and Lessee's Agent's shall comply with the requirements of (a) Title VII of the Civil Rights Act of 1964 (as amended), as well as Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967; (b) Title V, Sections 503 and 504 of the Rehabilitation Act of September 26, 1973, Public Law 93-112 (as amended), which prohibits discrimination on the basis of disability and requires government contractors and subcontractors to take Affirmative Action to employ and advance in employment qualified handicapped individuals; (c) 41 C.F.R. Chapter 60, which prescribes affirmative action requirements for government contractors and subcontractors; (d) the Age Discrimination in Employment Act of December 15, 1967 (as amended); (e) the Americans with Disabilities Act, 42 U.S.C. Sections 12101 et seq.; (f) and all other Applicable Laws relating to nondiscrimination in employment and in providing facilities and services to the public. The Lessee shall do nothing in advertising for employees that will prevent those covered by these laws from qualifying for such employment.

Section 18. NOTICES

Except as otherwise provided in this Lease, any notice, consent or other communication required or permitted under this Lease shall be in writing and shall be delivered by hand, sent by courier, sent by prepaid registered or certified mail with return receipt requested and addressed as appropriate to the following addresses (or to such other or further addresses as the parties may designate by notice given in accordance with this section):

If to the Lessor:

National Park Service
Klondike Gold Rush NHP
P.O. Box 517
Skagway, AK 99840-0517

If to the Lessee:

[INSERT Lessee Contact Information]

Section 19. GENERAL PROVISIONS

The following general provisions apply to this Lease:

(a) The Lessor is not for any purpose a partner or joint venture participant of the Lessee in the development or operation of the Premises or in any business conducted on the Premises. The Lessor under no circumstances shall be responsible or obligated for any losses or liabilities of the Lessee. The Lessee shall not publicize, or otherwise circulate, promotional or other material of any nature that states or implies endorsement of the Lessee or its services or products by the Lessor or any other governmental agency.

(b) This Lease shall not, nor be deemed nor construed to, confer upon any person or entity, other than the parties hereto, any right or interest, including, without limiting the generality of the foregoing, any third party beneficiary status or any right to enforce any provision of this Lease.

(c) This Lease provides no right of renewal or extension to the Lessee, nor does it provide the Lessee with the right to the award of a new lease upon termination or expiration of this Lease. No rights shall be acquired by virtue of this Lease entitling the Lessee to claim benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646.

(d) The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee. For breach or violation of this warranty, the Lessor shall have the right to terminate this Lease for Default.

(e) In case any one or more of the provisions of this Lease shall for any reason be held to be invalid, such invalidity shall not affect any other provision of this Lease, and this Lease shall be construed as if the invalid provisions had not been contained in this Lease.

(f) All Exhibits that may be referenced in this Lease are hereby attached to and incorporated in this Lease.

- (g) Time is of the essence to this Lease and all of its terms and conditions.
- (h) The laws of the United States shall govern the validity, construction and effect of this Lease.
- (i) This Lease constitutes the entire agreement between the Lessor and Lessee with respect to its subject matter and supersedes all prior offers, negotiations, oral and written. This Lease may not be amended or modified in any respect except by an instrument in writing signed by the Lessor and Lessee.
- (j) The voluntary sale or other surrender of this Lease by the Lessee to the Lessor, or a mutual cancellation, or the termination by the Lessor pursuant to any provision of this Lease, shall not work a merger, but, at the option of the Lessor, shall either terminate any or all existing subleases hereunder or operate as an assignment to the Lessor of any or all of subleases.
- (k) If more than one Lessee is named in this Lease, each Lessee shall be jointly and severally liable for performance of the obligations of this Lease.
- (l) Any and all remedies available to Lessor for the enforcement of the provisions of this Lease are cumulative and are not exclusive, and Lessor shall be entitled to pursue either the rights enumerated in this Lease or remedies authorized by law, or both. Lessee shall be liable for any costs or expenses incurred by Lessor in enforcing any term of this Lease, or in pursuing legal action for the enforcement of Lessor's rights, including, but not limited to, court costs.
- (m) The Lessee shall not construct new buildings or structures on the Premises, except that, with the prior written approval of the Lessor, the Lessee may construct minor additions, buildings and/or structures determined by the Lessor to be necessary for support of the uses authorized by this Lease.
- (n) Nothing contained in this Lease shall be construed as binding the Lessor to expend, in any fiscal year, any sum in excess of the appropriation made by Congress for that fiscal year or administratively allocated for the subject matter of this Lease, or to involve the Lessor in any contract or other obligation for the future expenditure of money in excess of such appropriations. Nothing in this Lease shall be construed as preventing the cancellation of this Lease by the Lessor in the exercise of sovereign authority otherwise provided by Applicable Laws.

IN WITNESS WHEREOF, the Superintendent, Klondike Gold Rush National Historical Park, Alaska Region, National Park Service, acting on behalf of the United States, in the exercise of the delegated authority from the Regional Director, Alaska Region, National Park Service and the Secretary of the Interior, as Lessor; and the Lessee have executed this Lease by proper persons thereunto duly authorized as of the date heretofore written.

LESSOR

THE UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

By: _____ on _____, 2016
Michael J. Tranel Date
Superintendent
Klondike Gold Rush National Historical Park

LESSEE

By: _____ on _____, 2016
[INSERT Lessee name/company/contact information] Date

EXHIBIT A
INVENTORY AND CONDITION REPORT

INSTRUCTIONS

1. If considered necessary, use a separate sheet for each room surveyed.
 2. Additional sheets may be attached for physical characteristics of land and buildings; exterior and interior details of buildings; service facilities; inventory of machinery and equipment; miscellaneous items and general remarks not otherwise covered in Section II of this form, or on Form 3143c.
-

ADDED INSTRUCTIONS (OVERPRINT, IF DESIRED)

SECTION I - PROPERTY DATA AND CONDITION AGREEMENT

LEASE NO. _____ COMMENCEMENT DATE: _____

ACTIVITY/LESSEE: _____

DATE POSSESSION TAKEN: _____

DATE OF THIS SURVEY: _____

TOTAL LEASED BUILDING AREA (SQ.FT.): _____

JOINT AGREEMENT ON THE CONDITION OF THE PROPERTY

We, the undersigned, jointly made a survey and inspection of the condition of the property mentioned above. We agree that as of the date of this survey [INSERT DATE] , the condition of the property is as described herein.

THE CONDITION OF THE EXTERIOR OF THE PROPERTY IS NO. OF
INDICATED ON THE REVERSE SIDE OF THIS FORM. ROOM ATTACHMENTS: _____
CONDITIONS ARE INDICATED ON ATTACHED FORM 3143A.

NAME AND SIGNATURE OF
____LESSEE (OR)
____AGENT REPRESENTATIVE

NAME TITLE, AND SIGNATURE
OF U.S. GOVERNMENT
REPRESENTATIVE

ADDRESS

ORGANIZATION

SECTION II - EXTERIOR CONDITION OF THE PROPERTY

FLOOR, EAVES, DOWNSPOUTS, Etc.

WALLS

WINDOWS AND DOORS (Include storm windows and doors)

FENCING

LAWN, SHRUBBERY, TREES, AND PERENNIALS

WALKS AND DRIVEWAYS

GARAGE AND OUTBUILDINGS

ENTRANCES, ELEVATORS, AND PATIOS

SEWERAGE

REMARKS

Include questioned or disputed items, repairs to be made, and attach additional sheets as necessary.

SECTION III - INTERIOR CONDITION OF INDIVIDUAL ROOM (record for each room)

LEASE NO.
FLOOR NO.

TYPE OF ROOM:
ROOM NO.

FLOOR AND FLOOR COVERING (include stairways and stair coverings)

WALLS

CEILING

DOORS AND WINDOWS (Include skylights and other openings)

PLUMBING (Include pipes, toilets, lavatories, drinking fountains, etc.)

ELECTRICAL FIXTURES

HEATING (Include radiators, thermostats, etc.)

WOODWORK (Include trim, baseboard, and hallways)

OTHER EQUIPMENT (Include stove, refrigerator, washer, dryer, etc.)

Include questioned or disputed items, repairs to be made, and attach additional sheets as necessary.

EXHIBIT B INSURANCE REQUIREMENTS

During the term of this Lease, the Lessee shall maintain the following insurance coverage (where applicable as determined by the Lessor) under the following general terms and conditions and under such specific terms and conditions as the Lessor may further require with respect to each particular insurance policy.

1. Types of Insurance

(a) Property Insurance - An all risk or special form, including fire, vandalism and malicious mischief insurance. The amount of such insurance shall be the full insurable value of the Premises as determined by the Lessor to be necessary to insure the premises to the full replacement value thereof, currently determined to be **\$312,619**. This amount may be revised by the Superintendent annually. All such policies shall specify that proceeds shall be payable whether or not any damaged or destroyed improvements are actually rebuilt. All such policies shall waive any requirement that a building or structure be replaced at its original site.

(b) Worker's Compensation and Employer's Liability Insurance - Worker's compensation insurance in the statutory amounts and coverage required under worker's compensation, disability and similar employee benefit laws applicable to the Premises and to the Lessee's use and occupancy of the Premises; and employer's liability insurance as may be required by law.

(c) General Liability - Comprehensive Farm Liability and/or Commercial General Liability through one or more primary and umbrella liability policies against claims for bodily injury and property damage occurring on the Premises, the improvements thereon, or the streets, curbs or sidewalks adjoining the Premises, with such limits as may be required by the Lessor, but in any event not less than five hundred thousand (\$500,000) per incident and five hundred thousand (\$500,000) aggregate for the Premises. Such insurance shall insure the performance by the Lessee of its indemnity obligations under this Lease.

(d) Other - All other insurance that the Lessee should maintain to adequately protect the Premises, Lessor, and Lessee.

2. Conditions of Insurance

(a) The policy or policies required under this section shall provide that in the event of loss, the proceeds of the policy or policies shall be payable to the Lessee to be used solely for the repair or replacement of the property damaged or destroyed, as approved and directed by the Lessor, with any balance of the proceeds not required for repair or replacement; provided, however, that the insurer, after payment of any proceeds to the Lessee, will have no obligation or liability with respect to the use or disposition of the proceeds by the Lessee.

(b) All property and liability insurance policies shall name the Park Area as an additional insured.

(c) All of the insurance required by this section and all renewals shall be issued by one or more companies of recognized responsibility licensed to do business in the state in which the Park Area is located with a financial rating of at least a Class B+ (or equivalent) status, as rated in the most recent edition of Best's Insurance Reports (or equivalent) or as otherwise acceptable to the Lessor.

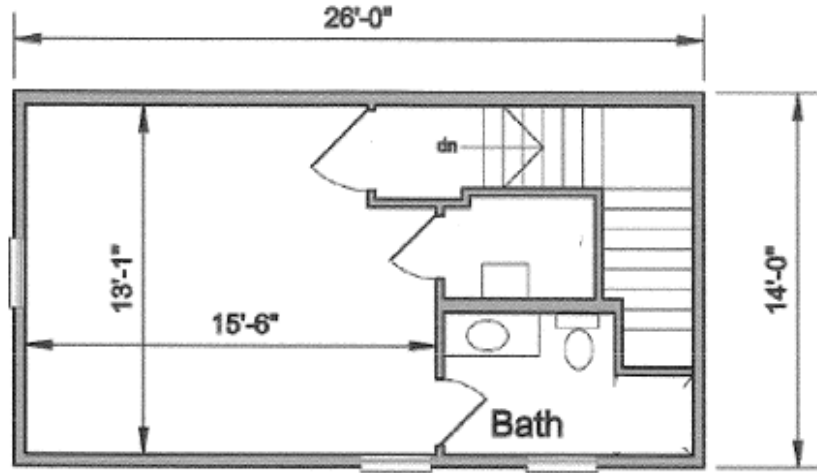
(d) All insurance policies shall provide that such policies shall not be cancelled, terminated or altered without thirty (30) days prior written notice to the Lessor. The Lessee must provide to the Lessor a copy of each policy and a certificate of the policy executed by a properly qualified representative of the insurance company evidencing that the required insurance coverage is in full force and effect on or before the Commencement Date, and annually thereafter. The Lessee shall maintain all policies provided throughout the Lease Term and the Lessee shall renew such policies before the expiration of the term of the policy.

(e) If the Lessor at any time, but not more than annually, believes that the limits or extent of coverage, deductibles or self-insurance retention, with respect to any of the insurance required by this section are insufficient for a prudent owner of property of the nature of the Premises, the Lessor may determine the proper and reasonable limits and extent of coverage, deductibles and self-insurance retention limits for such insurance and such insurance shall thereafter be carried by the Lessee until changed pursuant to the provisions of this section.

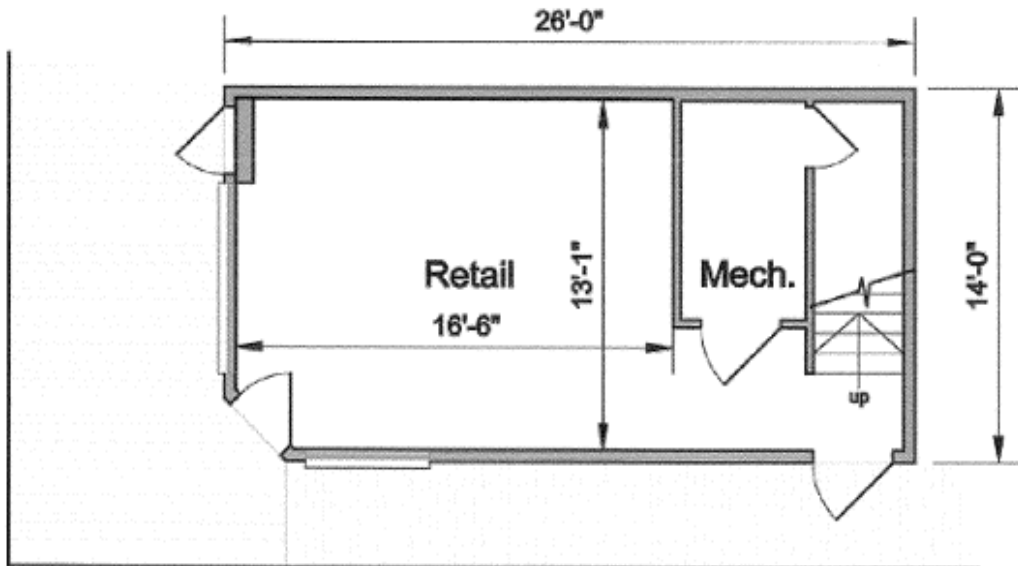
(f) The Lessee assumes full risk and responsibility for any inadequacy of insurance coverage or any failure of insurers. No approval by the Lessor of any insurer, or the terms or conditions of any policy, or any coverage or amount of insurance, or any deductible amount shall be construed as a representation by the Lessor of the solvency of the insurer or the sufficiency of any policy or any coverage or amount of insurance or deductible.

(g) The Lessee and Lessee's Agents shall not do anything, or permit anything to be done, in or about the Premises or on adjacent or nearby property that would invalidate or be in conflict with the provisions of any fire or other insurance policies covering the Premises or result in a refusal by insurance companies of good standing to insure the Premises in the amounts required under this section.

**EXHIBIT C-1
VERBAUWHEDES BUILDING
FLOOR PLAN**



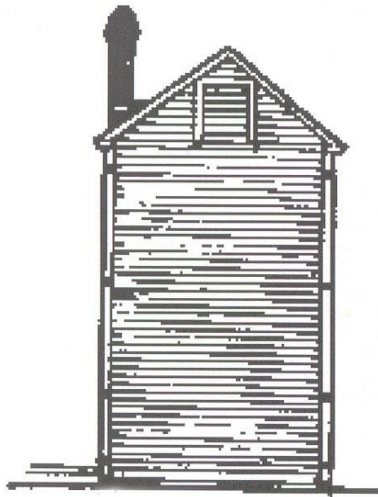
Second Floor Plan



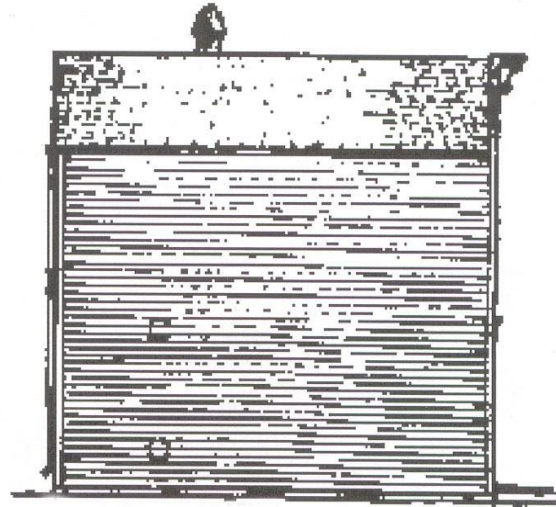
First Floor Plan



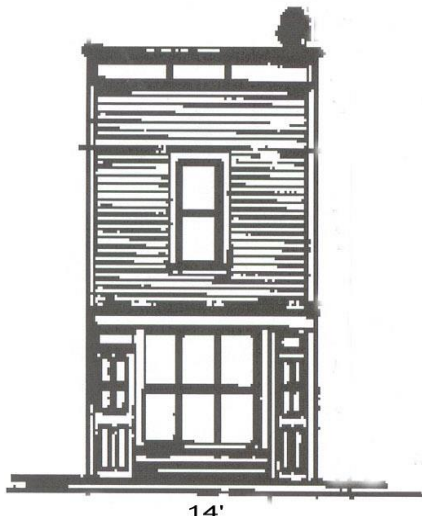
**EXHIBIT C-2
VERBAUWHEDES BUILDING
ELEVATIONS**



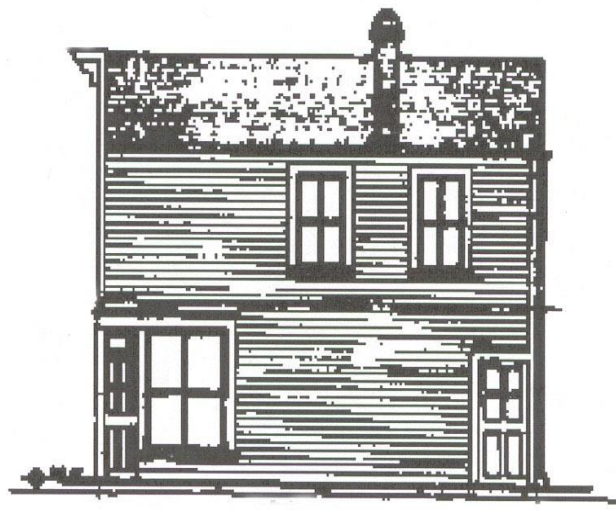
EAST ELEVATION



NORTH ELEVATION



WEST ELEVATION



SOUTH ELEVATION

**EXHIBIT C-3
VERBAUWHEDES BUILDING
SITE MAP**

